eMarketplace Participation Opportunities for Suppliers



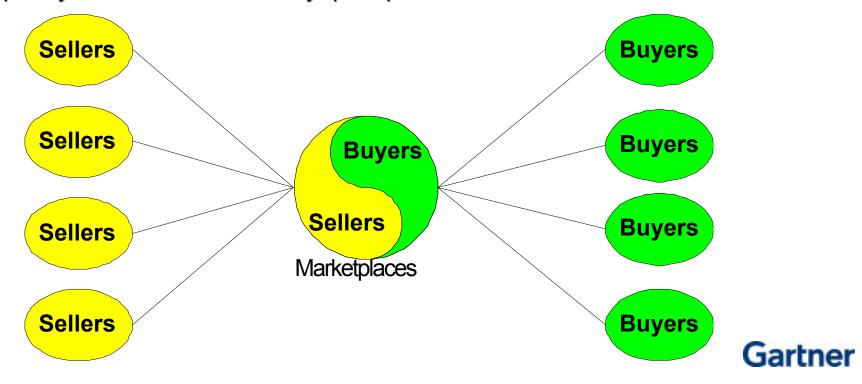
Conclusions

- It is inevitable that all businesses will be doing some business over the Internet; therefore, your company MUST have a Channel Strategy.
- In this dynamic eBusiness environment, companies are still struggling with their B2B long term strategies and short term tactical actions.
- If you haven't determined your strategy, you're not prohibitively behind yet.
- There is NO one-size fits all answer.



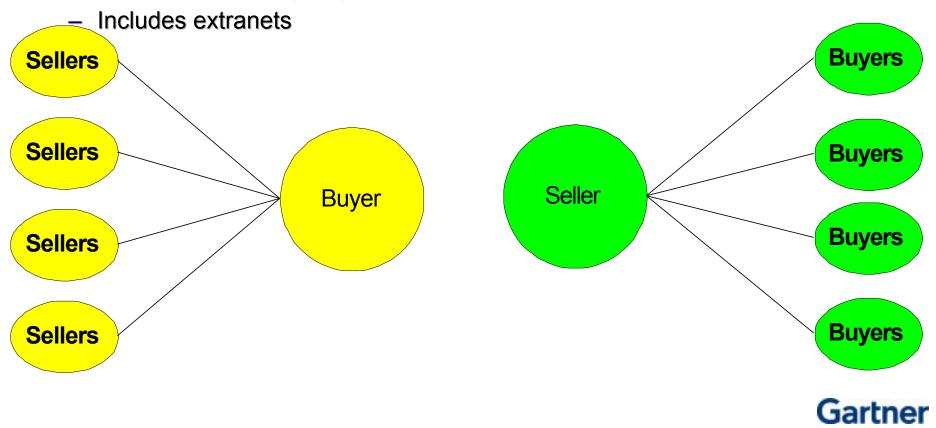
eMarketplace Definition

- Public eMarketplaces bring together multiple sellers and buyers that exist for the purpose of providing process and/or market efficiencies on behalf of a community (examples: Vertical Exchanges, Industry-Sponsored Exchanges).
- eMarketplaces provide a variety of content & services for participants for the purpose of generating revenue for the eMarket-Makers (examples: Buying Services, Auctions, Reverse Auctions).
- Typically address some industry "pain-point."



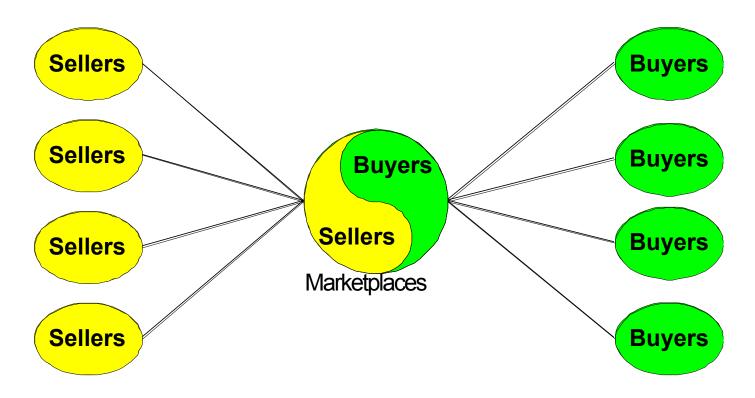
eMarketplace Types

- Private eMarketplaces are emerging.
- They are a 1-to-Many Relationship
 - One Buyer to many sellers (eProcurement)
 - One Seller to many Buyers (Custom Web Storefronts)



eMarketplace

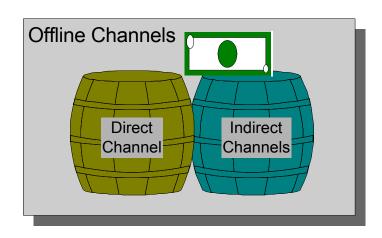
 Start seeing Merging between Public & Private Marketplaces

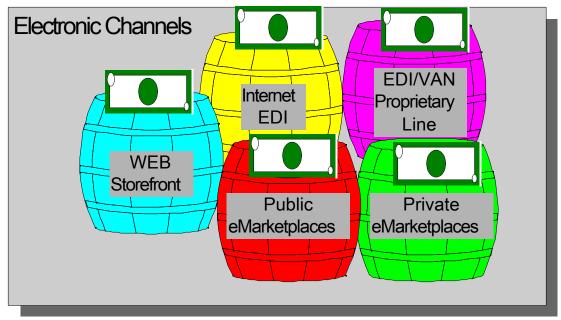




Distribution Channels

- Competing and Conflicting Channels for Distribution/Sales makes having a overall strategy MANDATORY!
- Knowing where to spend your Dollars depends on your Distribution Channel Strategy
- Your eBusiness Strategy is a MAJOR Component of your overall Distribution Channel Strategy!







Commodity Exchange Marketplace

Commodity Type Goods Focus
Buyer Services
Supplier Services

Risk Management

Futures Trading
Options Trading
Derivatives Trading

Price feeds from other
exchanges
Messaging
Multi-parameter Trade
Matching
Data warehousing
Product Information

Commodity Exchange Marketplace Trans

Contract Administration
Billing
Pricing Algorithms
Security
High-Volume
Transaction Processing
Notification

- Marketplace Supplier "Fear" Most
- Good For:
 - Excess Inventory/Capacity



Business Service Marketplace

Business Process Focus

Buyer Services Supplier Services

Specialty content
Catalogs
Procurement
Project-buy support
Payment systems
Back-office integration
Reporting
Customer satisfaction
Professional services
Request for quote

Business Services Marketplace

Content acquisition
Catalog management
Transactions
Fulfillment
Back-office integration
Reporting
Support/services
Comarketing
Bid management

- Most Prevalent Model
- Industry-led tend to fall in this category



Integration Services Marketplace

Connectivity Focus
Supplier Services

Buyer Services

Translation
Transformation
Secure messaging
•Available Inventory
•Available Capacity
•Pricing
Routing/Workflow
Multiple Standards
Support

Integration Services Marketplace

Translation
Transformation
Secure messaging
•Available Inventory
•Available Capacity
•Pricing
Routing/Workflow
Multiple Standards
Support

- Informational Pass-Through
- Transformation & translation: done in adapters hosted & maintained by integration hub



Examples of Marketplace Types



Altra Energy (exchange marketplace) is focused on developing spot markets for the trade of energy related commodities.



FreeMarkets (business service marketplace) offers consulting and managed auction services supporting new modes of buyer-supplier negotiation.



Enron (business service private & public marketplaces) provides commodity trading and services for the Power and Energy industries. Developing into a more cross-industry marketplace



Viacore (marketplace integration service) is developing services to facilitate interenterprise and intermarketplace connections based on exchange of standardized XML documents.



Recommendations

- Don't PANIC!
- Make SMART business decisions, not REACTIVE decisions
- eBusiness Strategies MUST be an integral part of the company's overall strategy.
- Define your "trigger" event for entering and have your Existing Strategy defined.
- Your B2B strategy cannot be owned by IT, it must be owned by Marketing (Business Strategy).
- Be prepared to renegotiate relationships with customers/suppliers

